

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6905

BILL NUMBER: HB 2038

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Education tax credits.

FISCAL ANALYST: Brian Tabor

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Provides an adjusted gross income tax refundable credit for certain elementary and secondary education expenses. Specifies the various expenses that are qualified education expenses for credit purposes for dependents who are: (1) enrolled in an accredited nonpublic school; (2) enrolled in a nonaccredited nonpublic school; (3) not enrolled in a school; or (4) enrolled in a public school. Requires participation in the ISTEP program for tax credit eligibility but allows certain students to substitute other approved tests for the ISTEP test. Provides that a taxpayer having dependents in both public schools and nonpublic education may claim only one credit. For taxpayers having dependents enrolled in a school, establishes the maximum amount of the credit for household incomes under \$35,000 at \$1,000 per child or \$2,000 per family and for household incomes over \$35,000 at \$500 per child or \$1,000 per family. For taxpayers having dependents who are excused from school (public or nonpublic) attendance, establishes the maximum amount of the credit at \$1,000 per child or family regardless of household income. Requires the department of education to develop a list of certain programs approved for tax credit purposes and to administer the ISTEP program requirement for certain students.

Effective Date: January 1, 2001 (retroactive).

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: